

# IRS News Release

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## **IRS to Create Efficiencies with Taxpayer Assistance Centers**

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WASHINGTON — The Internal Revenue Service announced today that it plans to close a portion of its Taxpayer Assistance Centers as part of the agency's continuing efforts to create efficiencies, modernize operations and reduce costs while maintaining its commitment to taxpayer service.

The IRS currently operates 400 Taxpayer Assistance Centers (TACs) that provide walk-in service for taxpayers. The agency will close 68 of those locations this fall following an extensive review. The decision was based on an objective model that weighed five criteria with multiple components, including workload considerations, geographic factors, demographics, employee costs and facility costs.

The closures reflect fundamental changes in how taxpayers file their taxes and access tax information. In recent years, the use of IRS.gov and e-filing increased rapidly, while face-to-face interactions with taxpayers declined. This year, the majority of tax returns were filed electronically, marking the first time in history that e-filing outpaced paper returns.

Adjusting the number of TAC sites will allow the IRS to focus on activities that provide the most efficient services. At the same time, taxpayers will still have access to a variety of IRS services, either by phone, through IRS.gov and from neighboring TAC offices and IRS volunteer tax assistance programs. As the IRS is modernizing how taxpayers receive service, the agency remains committed to improving service and meeting the needs of taxpayers.

"We've made significant improvements in service in recent years. The walk-in sites are our most costly service vehicle, and we find taxpayers prefer to use our toll-free phone lines where their questions can be routed to subject matter experts," said IRS Commissioner Mark W. Everson "Like most other federal agencies, we're being asked to create efficiencies and be responsible with taxpayers' dollars. Using objective criteria, we're creating these efficiencies where they'll have the least impact on good service."

In recent testimony assessing the IRS FY 2006 budget request, the Government Accountability Office stated: "In light of the current budget environment and IRS's improvements in taxpayer service over the last several years, this is an opportune time to reconsider the menu of services it provides." Further, in its testimony dated May 19, 2005, GAO credited IRS for identifying savings, including closing walk-in offices,

noting that demand for walk-in services has continued to decrease. They also recognized that savings could be used to help maintain the quality of other services.

The IRS recognizes the cost benefits of alternates to walk-in offices for services as well. For example, the IRS's cost of preparing a tax return at a VITA site is \$19, compared to the \$46 it costs to prepare the same return at a TAC. Downloading forms from the IRS website costs less than one dollar, while distributing a form at a TAC costs \$9. Tax law questions can also be answered much less expensively (\$11) – and with more accuracy and a higher customer satisfaction rate – through the toll-free lines than at a TAC (\$22).

Face-to-face contact is the most expensive method of customer service, and the number of visitors to TACs has dropped as use of the IRS web site has dramatically increased. In Fiscal Year 2004, visitors to TACs were down 1.26 million from the prior year, and down nearly 2 million from Fiscal Year 2002. At the same time, the number of visits to IRS.gov and the number of web page views climbed 128 percent and 155 percent, respectively, between fiscal 2002 and 2004.

The use of "Where's My Refund," an on-line service that provides refund status information formerly available only by calling the toll-free line or visiting a TAC, was up 1,316 percent from FY 2002 to FY 2004. Internet based services such as "Where's My Refund" enable taxpayers to get answers without going to an IRS office.

The continued growth of e-filing also is a factor, with 66.5 million tax returns e-filed this year. There are fewer taxpayer errors with electronic filing, which means fewer calls and visits to the IRS following up on tax return issues.

Out of 2,300 employees who operate the TACs nationwide, fewer than 450 employees are located in the affected centers. As the agency's budget allows, qualifying employees may be offered early out retirements and buyouts. Most employees should be entitled to priority placement for other jobs within the IRS and other Treasury bureaus.

<b>Service</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY02/04 % Change</b>
Taxpayer Assistance Centers (TAC) Contacts	9,531,000	8,964,000	7,698,000	-19%
Toll-free Assistor Calls Answered	33,202,000	35,096,000	35,536,000	7%
Automated Calls Answered*	46,785,000	44,837,000	33,771,000	-28%*
On-line <i>Where's My Refund?</i>	1,050,000	12,366,000	14,866,000	1,316%
IRS.gov Page Views	366 million	685 million	934 million	155%
IRS.gov Visits	67 million	103 million	153 million	128%

\*Decline partially a result of on-line "Where's My Refund." Following is the complete list of Taxpayer Assistance Centers that will close later this year:

STATE	CITY	ADDRESS
Arizona	Phoenix	2400 West Dunlap
Arizona	Bullhead City	3090 Highway 95
Arizona	Lake Havasu City	2610 Sweetwater Avenue
Arizona	Yuma	2450 South 4th Avenue
California	San Marcos	1 Civic Center Drive
California	Bakersfield	5300 California Avenue
California	El Centro	2345 South 2nd Street
California	Santa Rosa	777 Sonoma Avenue
California	Santa Barbara	1332 Anacapa Street
California	Fresno	5104 North Blythe Street
California	Camarillo	751 Daily Drive
Colorado	Colorado Springs	2864 South Circle Drive
Connecticut	Hartford	135 High Street
Connecticut	New Haven	150 Court Street
Florida	Plantation	7850 SW 6th Court
Florida	Saint Petersburg	9450 Koger Boulevard
Florida	Fort Myers	2891 Center Pointe Drive
Georgia	Atlanta	2888 Woodcock Blvd
Idaho	Idaho Falls	1820 E. 17th Street
Idaho	Pocatello	611 Wilson Avenue
Illinois	Downers Grove	2001 Butterfield Road
Indiana	Fort Wayne	1415 Directors Row
Maine	Augusta	68 Sewell Street / 40 West
Maine	South Portland	220 Maine Mall Road
Maryland	Salisbury	212 W. Main Street
Maryland	Annapolis	190 Admiral Cochrane Drive
Maryland	Wheaton	11510 Georgia Avenue
Maryland	Frederick	201 Thomas Johnson Drive
Massachusetts	Pittsfield	78 Center Street
Massachusetts	Fitchburg	881 Main Street
Massachusetts	Quincy	1250 Hancock Street
Massachusetts	Hyannis	247 Stevens Street
Minnesota	Minneapolis	250 Marquette Avenue
Missouri	Springfield	3333 South National
Montana	Bozeman	220 W. Lamme Street
Montana	Great Falls	AA 5th Street North # 11
Montana	Missoula	2681 Palmer Street
Nevada	Reno	200 South Virginia Street
New Hampshire	Keene	196 Main Street
New Hampshire	Portsmouth	80 Daniel Street
New Jersey	Edison	100 Dey Place
New Jersey	Parsippany	1719 C Route 10
New Jersey	Fairfield	165 Passaic Avenue
New Jersey	Paramus	1 Kalisa Way
New York	New York	290 Broadway -- Foley Square
New York	Bronx	1200 Waters Place
New York	Hauppauge	1180 Veterans Memorial Highway
New York	Kingston	153 Sawkill Road
New York	West Nyack	242 West Nyack Road
New York	Albany	Clinton Avenue & North Pearl
New York	Brooklyn	625 Fulton Street

North Carolina	Greensboro	320 Federal Place
North Carolina	Wilmington	3904 Oleander Drive
Pennsylvania	York	2801 Eastern Boulevard
Pennsylvania	Washington	162 West Chestnut Street
South Carolina	Charleston	1 Poston Road
Texas	Austin	825 East Rundberg Lane
Texas	Dallas	1100 Commerce Street
Utah	Provo	173 East 1st 100 North
Vermont	Brattleboro	1222 Putney Street
Vermont	Rutland	Eastridge Building, Route 4
Virginia	Hampton	903 Gateway Boulevard
Virginia	Baileys Crossroad	5205 Leesburg Pike
Washington	Silverdale	9833 Poplars Avenue, NW, #105
Wisconsin	Eau Claire	2403 Folsom Street
Wisconsin	Madison	545 Zor Shrine Place
Wisconsin	Green Bay	1920 Libal Street
Wyoming	Sheridan	1949 Sugarland Drive